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Message Text

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PAGE 01 SEOUL 04214 050238Z

66
ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 EB-11 TRSE-00 RSC-01 DRC-01 /032 W
---------- 014621
R 050149Z JUL 74
FM AMEMBASSY SEOUL
TO USDOC WASHDC
INFO SECSTATE WASHDC 4660

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PASS EXIMBANK

E.O. 11652: N/A
TAGS: BEXP ETRN EGEN KS
SUBJECT: COMPETITIVE FINANCING

REF: STATE 140003

1. EMBOFF ADVISED KOREAN AIR LINES (KAL) OF AUTHORIZATION OF EXIM BANK CREDIT (REFTEL).

2. KAL EXECUTIVE VICE PRESIDENT, C.K. CHO, REFERRED TO EXIM TERMS, 35 PERCENT LOAN AND 20 PERCENT GUARANTEE OF A TOTAL OF $90 MILLION, AND SAID DOING BUSINESS ON THESE TERMS WAS LIKE TAKING A "COLD SHOWER". CHO FOR CONTRAST CITED FRENCH CREDIT TERMS FOR POSSIBLE KAL A-300 (AIRBUS) PURCHASE. FRENCH CREDIT OFFER WAS AT 7.25 PERCENT INTEREST WITH 12 YEARS TO PAY ON A LEASE/PURCHASE ARRANGEMENT.

3. KAL FLEET RENOVATION PLANS CALL FOR REPLACEMENT OF PRESENT MEDIUM RANGE AIRCRAFT (YS11S, 720S, 727S) WITHIN NEXT FEW YEARS. CHO INDICATED THAT KAL IS INTERESTED IN A TWIN-ENGINE, WIDE-BODY JET. SELLING POINTS FOR A-300 ARE SEATING CAPACITY, SHORT LANDING REQUIREMENT, AND, IRONICALLY, FACT IT USES SAME ENGINE AS DC-10 PLANES KAL NOW GETTING FROM US.

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4. AS CHO POINTED OUT, FUTURE FOR US AIRCRAFT SALES

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IN KOREA IS DIM IF EXIM FINANCING IS UNABLE TO COMPETE
WITH TERMS SUCH AS THOSE FRENCH OFFER.
HABIB

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, POLITICAL LEADERS, TRIALS, COURTS, ELECTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL04214
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740173-1017
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740784/aaaactsm.tel
Line Count: 64
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: SEOUL 3743
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 06 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Aug-2002 by kelleyw0>; APPROVED <19 FEB 2003 by shawdg>
Review Markings:

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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KIM TAE-CHUNG TRIAL
TAGS: PINT, KS, (KIM TAE-CHUNG)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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